



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Magic Valley Labor Market Area (LMA) was 3.7 percent in July 2003. This was unchanged from June 2003 and two-tenths of a percentage point lower than July 2002. There was a large year-over-year increase in *Civilian Labor Force* of 5,350 persons or a 10.8 percent gain. Although there was a slight gain in unemployed workers (100), the large gain in *Civilian Labor Force* resulted in a lower unemployment rate.

Very few employment sectors showed a drop in the Magic Valley LMA from June to July 2003. The sectors that decreased year-over-year were *Natural Resources & Mining*, *Wholesale Trade*, *Utilities*, *Leisure & Hospitality*, and *Government Administration*. The largest decreases occurred in *Natural Resources & Mining* with a 50.0 percent decrease, and *Utilities* with a 27.3 decrease. *Natural Resources & Mining* jobs in South Central Idaho typically are attached to rock crushing and excavation. Those jobs were consolidated in one area, hence the reduction of jobs. *Utilities* have cut back staff, primarily in small hydro-dam operations. The extreme heat and low water of this summer have caused problems with that sector.

Many sectors showed outstanding growth in the past year. *Construction* had a strong 9.2 percent increase. This is attributable to brisk residential and business construction. Twin Falls is on record pace for new housing starts fueled by extremely low mortgage rates. New businesses such as Best Buy and Sportsmen's Warehouse on the North Canyon Rim have either built new facilities or done extensive modifications of existing buildings. *Manufacturing* increased 8.9 percent with *Food Processing* as the main driver in the upswing. Despite serious layoffs in food processing in the Mini-Cassia region, the western Magic Valley remains very strong in that sector. Seneca Foods is running at full volume and Con Agra Lamb-Weston has increased its staff by a few potato processors. Rite Stuff Foods in Jerome moved its corporate headquarters from Downey, California, to Jerome. *Retail Trade* also showed a 3.6 percent increase, which

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	July 2003*	June 2003	July 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	55,000	55,110	49,650	-0.2	10.8
Unemployment	2,060	2,040	1,960	1.0	5.1
% of Labor Force Unemployed	3.7	3.7	3.9		
Total Employment	52,940	53,070	47,690	-0.2	11.0
Unadjusted					
Civilian Labor Force	55,590	55,810	51,020	-0.4	9.0
Unemployment	1,930	1,870	1,890	3.2	2.1
% of Labor Force Unemployed	3.5	3.4	3.7		
Total Employment	53,660	53,940	49,130	-0.5	9.2
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs**	43,030	43,180	39,850	-0.3	8.0
Goods-Providing Industries	8,020	7,920	7,380	1.3	8.7
Natural Resources & Mining	20	20	40	0.0	-50.0
Construction	2,370	2,270	2,170	4.4	9.2
Manufacturing	5,630	5,630	5,170	0.0	8.9
Food Manufacturing	3,550	3,680	3,250	-3.5	9.2
Other Manufacturing	2,080	1,950	1,920	6.7	8.3
Service-Providing Industries	35,010	35,260	32,470	-0.7	7.8
Trade, Transportation & Utilities	10,150	10,060	9,670	0.9	5.0
Wholesale Trade	1,820	1,710	1,840	6.4	-1.1
Retail Trade	6,020	6,050	5,810	-0.5	3.6
Utilities	160	160	220	0.0	-27.3
Transportation & Warehousing	2,150	2,150	1,800	0.0	19.4
Information	500	500	500	0.0	0.0
Financial Activities	1,770	1,700	1,690	4.1	4.7
Professional & Business Services	5,440	6,220	5,280	-12.5	3.0
Educational & Health Services	3,700	3,730	3,080	-0.8	20.1
Leisure & Hospitality	3,510	3,180	3,600	10.4	-2.5
Other Services	1,500	1,410	1,480	6.4	1.4
Government Education	4,390	4,460	3,040	-1.6	44.4
Government Administration	4,050	4,000	4,130	1.3	-1.9

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

is notable because growth in the sector had been mostly flat earlier in the year. There should be continued growth in this sector due to the opening of Best Buy and Sportsmen's Warehouse. These stores have hired approximately 150 full- and part-time workers. The only double-digit increases in any sectors were *Transportation & Warehousing* and *Educational & Health Services* with 19.4 percent and 20.1 percent, respectively.

The Magic Valley economy continues to perform very well despite recessionary tendencies both nationwide and statewide, but the area has not been immune to negative situations. Moore North American is in the process of closing, and over 100 workers will be permanently displaced. However, new jobs have been created and the economic indicators are good. The robust housing market is the major factor in the strong growth in construction jobs, while technology jobs, represented primarily by Dell workers, are holding steady. The growing season in agriculture has been average. An extremely hot summer has resulted in early grain and potato harvests. The dairy industry is

facing extreme challenges due to very low prices, and growth in that sector has flattened out. Also, environmental factors associated with dairy farms are very much in the mind of public officials and not many of new Confined Animal Feeding Operations have been approved. The extremely hot weather and drought have raised concerns about the water year in 2004. American Falls Reservoir is essentially empty with only a 3.0 percent carryover of water. Groundwater tables are dropping and the need for moisture during the winter cannot be overstated. Already farm operators are looking at alternative irrigation methods and senior water right holders are maneuvering to solidify water claims. Despite all of this, the Magic Valley economy remains diverse and one of the strongest in the state.

AREA DEVELOPMENTS

Twin Falls County

- A new Mexican restaurant will be opening at the site of the former Creekside Restaurant at 233 Fifth Avenue South in the Historic Old Towne section of Twin Falls. The new restaurant, El Rinconcito, is tentatively scheduled to open in mid-September. The restaurant will offer a full variety of favorite Mexican dishes and reasonable prices. El Rinconcito is owned by the Varela family and should employ 25-40 full- and part-time workers.
- A new wildfire attack satellite base will be built at the Twin Falls airport for use in 2004. Groundbreaking has already taken place for the ten-acre base facility on the southeast end of Joslin Field. It will accommodate heavy air tanker fire retardant loads and speed response time to wildfires burning across the Magic Valley's desert range, the South Hills, southern portions of the Sawtooth National Forest, northern Nevada, and the Wood River Valley.
- Major construction has started on a new, larger building to replace the Albertson's grocery store on the corner of Blue Lakes Boulevard and Addison Avenue in Twin Falls. The plans call for a size increase from 35,000-square feet to 52,417-square feet. Eight duplexes behind the store will be moved. The new store will be slightly west of the current store's location. The existing Mongolian Restaurant, Episcopal Church of the Ascension, and small shopping center will be demolished and some of the businesses relocated. The store's entrance will face Blue Lakes Boulevard; the current store faces Addison Avenue. The future of the old store building is still undetermined.
- North's Chuck Wagon on Kimberly Road in Twin Falls has closed after 26 years in business. The owners said they could not compete with the new eating establishments recently opening in the north rim area of Twin Falls. The closure displaces 22 full- and part-time employees.
- A new UPN affiliate television station with supplemental Christian and regional programming will soon be broadcasting in the Twin Falls and Sun Valley areas. KIDA-TV plans to air on cable-free Channel 5 from a Sun Valley signal. The full-service station will

run programming from the former L'Harrison Building on Blue Lakes Boulevard in Twin Falls. In addition to UPN television, it is hoped that the new station will air local news and other local programming.

Blaine, Camas, Gooding, Jerome, and Lincoln Counties

- An Open House was held in August for the new Wood River High School in Hailey. The new school has 36 general classrooms, three science complexes, two domestic science-culinary arts rooms, two computer classrooms, four special education rooms, one distance learning room, two business labs, two English as a Second Language classrooms, a 6,000-square-foot media center, two art rooms, and two music rooms with a piano lab and a black box theater. The new gymnasium seats 2,800 persons and is 48 feet tall from floor to rafters. This school was made possible by a school bond passed in 2001.
- St. Benedicts Family Medical Center in Jerome will soon break ground for a new 25-bed inpatient hospital in the Crossroads Area of Jerome to better serve the people of Jerome County. The new facility will allow the hospital to bring more specialty doctors to Jerome County.

Cassia and Minidoka Counties

- Kraft Foods, Inc. announced that the Rupert Plant would begin production of a new cheese product this fall, which will require the plant to hire 35 full-time hourly workers as well as some seasonal workers. The new product will be produced on a line Kraft installed just prior to an announced layoff last fall when the company displaced 50 workers. The new jobs will be filled through a targeted interviewing process that includes current employees who may wish to switch from a current line to the new line, as well as other qualified applicants. The company said that laid off personnel from the previous displacement will not necessarily be given jobs, but rather the company would hire the most qualified applicants.
- Idaho Governor Dirk Kempthorne, Idaho U.S. Senator Larry Craig, and Idaho Parks and Recreation Department Director Rick Colignon recently dedicated the Castle Rocks area near Almo in southern Cassia County as Idaho's newest state park. The area, known for its monolithic rock formations, has long been a tourist attraction.
- The U.S. Forest Service has approved a proposal by Syringa Network, LLC of Rupert to install 22 miles of fiber optic line on national forest from Galena to Lake Creek just north of Ketchum. This decision followed the completion of an environmental assessment by U.S. Forest Service resource specialists.

Gregory Rogers, Regional Labor Economist
 771 N. College Road, Twin Falls, ID 83303
 (208) 735-2500, ext. 3639
 E-mail: grogers@jobservice.us